


UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

U.S. BANKRUPTCY COURT
FILED
NEWARK, NJ

2023 OCT 17 A 11:18

JEANNE A. NAUGHTON
BY: 
CLERK

In re:

BED BATH AND BEYOND INC., *et al.*,

Debtor,

Chapter 11

Case No. 23-13359 (VFP)

(Jointly Administered)

DECLARATION OF PREET SEKHON

HEARING DATE AND TIME: October 24,
2023, at 10:00 a.m. (ET)

1 I, Preet Sekhon declare as follows:

2 1. I make this declaration based upon my own personal knowledge, except for
3 matters set forth herein on information and belief, and as to those matters, I believe them
4 to be true, and if called upon to testify herein, I could and would competently testify as
5 follows:

6 2. I am employed by the County of San Mateo ("County"). I have been
7 employed by the County since January 2011. I am a Chief Appraiser with the County of
8 San Mateo Assessor. My responsibilities include overseeing the assessment of business
9 personal property, Manager of the Audit Program, and oversee resolution of business
10 personal property assessment appeals.

11 3. The Assessor is required to annually assess taxable business personal
12 property as of the lien date (January 1st). Business Personal Property includes all
13 "Equipment out on lease, rent, or conditional sale to others" used in the operation of a
14 business. Business Personal Property is reported to the Assessor annually on a form
15 known as the Business Property Statement (Form 571-L).

16 4. Form 571-L constitutes an official request from the Assessor for the taxpayer
17 to declare all assessable business property situated in the county which the taxpayer
18 owned, claimed, possessed, controlled, or managed on the tax lien date, and that the
19 taxpayer signs (under penalty of perjury). Failure to file the statement during the time
20 provided in section 441 of the Revenue and Taxation Code will compel the Assessor to
21 estimate the value of your property from other information in the Assessor's possession
22 and add a penalty of 10 percent of the assessed value as required by section 463 of the
23 Revenue and Taxation Code.

24 5. I am familiar with the tax records maintained by the Assessor in the normal
25 course of business and specifically with information requested by the Assessor or
26 furnished in the Property Statement.

27 6. As on January 1, 2023, Debtors operated several Bed Bath and Beyond
28 locations in the County of San Mateo.

1 7. Based on my review of the Assessor records it appears that Debtors
2 submitted a Business Property Statement for 2023 to the Assessor dated May 4_, 2023.
3 The statement was signed under penalty of perjury by their VP of Tax. Based on my
4 review of Assessor records, I determined that the Assessor assessed the Debtor's property
5 exactly as it was reported by Debtors for the 2023 fiscal year. Pursuant to Revenue and
6 Taxation Code Section 451, the Assessor is required to keep the information in the
7 property statement secret, and therefore, cannot disclose any further details or produce a
8 copy of the statement.

9 8. The Tax Collector issued unsecured tax bills for the personal property and
10 fixtures located within the various different locations operated by Debtors for fiscal year
11 2023. The unsecured tax bills issued are 2023-0011382, 2023-003938 and 2023-003939.
12 As of October 12, 2023, the amount of taxes due is \$58,693.17. These tax bills are based
13 on the values from the unsecured roll enrolled by the Assessor.

14 9. The debtors incurred the tax liabilities claimed due pursuant to California
15 Revenue & Taxation Code §§ 2191.3, 2191.4 and 2193.

16 10. Pursuant to California Revenue and Taxation Code Section 2922, Unsecured
17 (Personal) Property Taxes are due upon receipt of the Unsecured Property Tax Bill and
18 are last due without penalty on August 31.

19 11. If a taxpayer disagrees with the value established for a property, they should
20 discuss the issue with the Assessor's staff in the county where the property is located. If
21 an agreement cannot be reached, then taxpayers have a right to appeal the value under
22 certain circumstances and limitations.

23 12. Debtors' deadline to file a personal property appeal application for the 2023
24 year is November 30, 2023.

25 13. To date, Debtors have not contacted the Assessor's Office to discuss their
26 valuation, nor have they filed an Appeal Application for the 2023 tax year.

27 14. In appeals involving personal property and fixtures, it may be necessary for
28 the assessor to perform an audit of the taxpayer's records to reach a final value

1 conclusion. The Assessor would also be required to appear at the hearing to defend its
2 valuation, only after the taxpayer met its burden, and would do so based on accepted
3 valuation methodologies prescribed within the Revenue and Taxation Code.

4 15. I reviewed the declaration submitted by Debtors in their Second Omnibus
5 Objection. Debtors do not appear to base their valuation on any accepted valuation
6 method within the Revenue and Taxation Code. Instead, the valuation is based on post-
7 lien date sales while the Debtors were insolvent.

8 16. A valuation hearing in New Jersey would be very burdensome on the
9 Assessor. Assessor staff is located exclusively in the County of San Mateo within the
10 State of California. Assessor staff only appear in administrative proceedings before the
11 Assessment Appeals Board, which are not formal court proceedings. The County's legal
12 advisor is the County Attorney's Office, and Chief Deputy County Attorney, Rebecca M.
13 Archer is the specific legal advisor to the Assessor. Ms. Archer is not barred in New
14 Jersey and is unable to represent the Assessor at a valuation hearing in a New Jersey
15 court.

16 17. Uniformity of Assessment is of the utmost importance to the Assessor and
17 required under the California Constitution. This uniformity will be placed at risk should
18 an out of state court, rather than our local Assessment Appeals Board, make a valuation
19 determination at a hearing without the Assessor present, and based on valuation methods
20 that are not accepted under the Revenue and Taxation Code.

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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 12th day of October 2023, at Redwood City, San Mateo, California.



10/12/2023

Preet Sekhon, Chief Appraiser

CCO-707995

PROOF OF SERVICE

In re: Bed Bath and Beyond Inc., et al., United States Bankruptcy Court Case No: 23-13359

I do hereby declare that I am a citizen of the United States employed in the County of San Mateo, over 18 years old and that my business address is 400 County Center, Redwood City, California.

I am not a party to the within action.

On October 13, 2023, I served the following document(s):

DECLARATION OF PREET SEKHON

on all other parties to this action by placing a true copy of said document(s) in a sealed envelope in the following manner:

- ☐ (BY U.S. MAIL) by placing a true copy of said document(s) in a sealed envelope(s) addressed as shown below for collection and mailing at Redwood City, California following our ordinary business practices. I am readily familiar with this office's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service in a sealed envelope with postage fully prepaid.
- ☒ (BY OVERNIGHT DELIVERY) by placing a true copy of said document(s) in a sealed envelope(s) addressed as shown below for collection and delivery by an overnight delivery carrier with delivery fees paid or provided for in accordance with this office's practice. I am readily familiar with this office's practice for processing correspondence for delivery the following day by an overnight delivery carrier.
- ☐ (BY E-MAIL OR ELECTRONIC TRANSMISSION) Based on a court order or an agreement of the parties to accept service by e-mail or electronic transmission, I caused the documents to be sent to the persons at the e-mail address shown below. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.
- ☐ (BY FACSIMILE TRANSMISSION) by telefaxing a true copy of said document(s) at ____, __m. on the date stated above to the addressee(s) and number(s) shown below. A transmission report was properly issued by the transmitting facsimile machine and is attached hereto. The transmission was reported as completed and without error.
- ☐ (BY PERSONAL SERVICE) I caused such envelope(s) to be hand-delivered to the addressee(s) shown below. A proof of service signed by the authorized courier will be filed forthwith.
- ☐ (STATE) I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.
- ☒ (FEDERAL) I declare that I am employed in the office of a member of the Bar of this Court at whose direction the service was made.

Krista Lyssand
Krista Lyssand, Legal Secretary II

NAME AND ADDRESS OF EACH PERSON TO WHOM SERVICE WAS MADE

United States Bankruptcy Court
Attn: Clerk of the Court
50 Walnut Street
Newark, NJ 07102

United States Bankruptcy Court of NJ

Attn: Waren A. Usatine, Esq
Felice R. Yudkin, Esq
25 Main Street
Hackensack, NJ 07602-0800
Email: wusatine@colesholtz.com
Email: fvudkin@colesholtz.com

Debtor's Attorney